



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

January 26, 2000

4APT-ARB

John E. Hornback, Director
Division for Air Quality
Department for Environmental Protection
Natural Resources and Environmental
Protection Cabinet
803 Schenkel Lane
Frankfort, Kentucky 40601

SUBJ: EPA's Review of Proposed Title V Permit for Louisville Gas & Electric Company
Muldraugh Natural Gas Compressor Station

Dear Mr. Hornback:

The United States Environmental Protection Agency (EPA) has reviewed the proposed title V operating permit for the Louisville Gas & Electric Company, Muldraugh Natural Gas Compressor Station, located in Muldraugh, Kentucky. Based on our review of the proposed permit, EPA formally objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 C.F.R. § 70.8(c), to the issuance of the title V permit for this facility. The basis of EPA's objection is that the permit does not contain all applicable requirements for the facility as required by 40 C.F.R. §70.6(a)(1).

Section 505(b)(1) of the Act and Section 40 C.F.R. § 70.8(c) require EPA to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if EPA determines that the permit is not in compliance with the applicable requirements under the Act or 40 C.F.R. part 70. Pursuant to 40 C.F.R. § 70.8(c), a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. part 70 are provided below. Section 70.8(c)(4) and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be addressed prior to the expiration of the 90-day period.

The proposed permit for the Louisville Gas & Electric Company, Muldraugh Natural Gas Compressor Station does not assure compliance with all applicable requirements, as required under 40 C.F.R §70.6(a)(1). Based on our review of the proposed permit EPA objects to the omission of the applicable requirements of 40 C.F.R. part 60, subpart LLL (Standards of

Performance for Onshore Natural Gas Processing: SO₂ Emissions). EPA provided identical comments to the Kentucky Division of Air Quality regarding the applicability of the Muldraugh Station to Subpart LLL in an electronic submission, dated August 23, 1999, based on our review of the draft Title V permit dated May 19, 1999, for this facility (see Enclosure1).

EPA Regional Offices have the primary responsibility and has the lead role in issuing applicability determinations. There are, however, limited circumstances under which a Regional Office may request a written response from EPA Headquarters. EPA Region 4 requested and had received an applicability determination from EPA Headquarters in a memorandum, dated June 17, 1998, from John B. Rasnic of the EPA Office of Compliance, which contained the final EPA determination regarding the applicability of subpart LLL to the Muldraugh Station facility (see Enclosure 2). The final EPA determination is that the Muldraugh Station is subject to subpart LLL. Therefore, the Title V operating permit must incorporate the applicable requirements of subpart LLL for the emission Unit 04, including all provisions for operating limitations, testing requirements, specific monitoring requirements, specific recordkeeping requirements, specific reporting requirements, and specific control equipment operating conditions. Decisions which State agencies make, such as the opinion of Kentucky DAQ regarding nonconcurrence with this applicability determination (as per "Enclosure C" of the proposed title V permit entitled "Response to Comments Received") are not binding on EPA. Ultimately, only EPA can make a determination as to the applicability of a Federal standard under 40 C.F.R. part 60.

We are committed to working with you to resolve these issues. Please let us know if we may provide assistance to you and your staff. If you have any questions or wish to discuss this further, please contact Mr. Gregg Worley, Chief, Operating Source Section at (404) 562-9141. Should your staff need additional information they may contact Ms. Jenny Jachim, Kentucky Title V Contact, at (404) 562-9126, or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,

/s/ Winston A. Smith

Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division

Enclosures

cc: Roger Cook, Kentucky Department of Environmental Protection